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January 12, 2001

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
Office of the Secretary
445 Twelfth Street, SW
Room TW-A325
Washington, D.C. 20554

Re: Comments of Teligent, Inc. on 2000 Biennial Regulatory Review – Telecommunications Service Quality Reporting Requirements Notice of Proposed Rulemaking, CC Docket No. 00-229

Dear Ms. Salas:

Enclosed please find the original and four copies of the comments of Teligent, Inc. in the above-referenced proceedings. A copy is also being to ITS by regular U.S. mail.

Please do not hesitate to telephone me at (703) 288-5715 if you have any questions regarding this submission. Thank you.

Sincerely,

Edward B. Krachmer
Special Counsel, Regulatory Affairs
and Public Policy
Teligent, Inc.

Enclosures

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
2000 Biennial Regulatory Review -- Telecommunications Service Quality Reporting Requirements	)))	CC Docket No. 00-229

COMMENTS OF TELIGENT, INC.

Lawrence E. Harris
Terri B. Natoli
Edward B. Krachmer

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2000 Biennial Regulatory Review -- Telecommunications Service Quality Reporting Requirements	)))	CC Docket No. 00-229

COMMENTS OF TELIGENT, INC.

Teligent, Inc. ("Teligent") hereby submits its comments in the above-captioned proceeding.[1]

I. INTRODUCTION.

Teligent applauds the Federal Communications Commission's ("Commission's") continuing efforts to enhance telecommunications competition and ensure that consumers are provided with the relevant information to make an informed choice of telecommunications provider. Teligent believes, however, that competition adequately ensures that competitive local exchange carrier ("CLEC") service quality will be at least equal to that of incumbent local exchange carriers ("ILECs") and that imposing new reporting requirements on CLECs would ultimately disserve consumers. Therefore, Teligent urges the Commission not to impose mandatory service quality reporting on CLECs.

[1] 2000 Biennial Regulatory Review – Telecommunications Service Quality Reporting Requirements, Notice of Proposed Rulemaking, CC Docket No. 00-229 (rel. November 9, 2000) ("Notice").

II. BECAUSE, BY NECESSITY, CLEC SERVICE QUALITY MUST BE AT LEAST COMPARABLE TO THAT OF ILECS, CLEC SERVICE QUALITY REPORTING IS UNNECESSARY.

For CLECs to remain in business, they must offer service that is of comparable or higher quality than ILECs. Almost definitionally, CLEC customers are price- and service-quality sensitive - otherwise, in many cases, they would simply purchase service from ILECs. To the extent that a CLEC's service quality is not comparable to an ILEC's, its customers will quickly migrate back to the ILEC and the CLEC will find itself without customers.

ILEC customers, on the other hand (including CLEC addressable and target market customers) may, in fact, need the service quality information provided by ILECs because such customers have no first-hand basis for comparing CLEC to ILEC service quality. Also, because ILECs represent such a vast majority of the market and already have systems in place for monitoring and reporting on service quality, it is reasonable to keep such requirements in place. And, of course, in markets in which customers have virtually no choice, such as almost all residential markets and many business markets, ILEC service quality reporting is particularly important.

III. CLEC SERVICE QUALITY REPORTING REQUIREMENTS WILL DISSERVE CONSUMERS AND, AMONG OTHER THINGS, MAY ACTUALLY DECREASE ACTUAL CLEC SERVICE QUALITY.

The Commission should be careful not to lose sight of the big picture in considering imposing service quality reporting requirements on CLECs. The Commission appropriately acknowledges in the Notice that service quality is one of the areas where CLECs compete for customers with incumbent local exchange carriers (ILECs) and each other.

At the same time, however, the Commission should be careful not to take a myopic view of competition, focusing on the information helpful to making service quality comparisons at the expense of other matters more likely to lead to improved consumer choice. The Commission recognizes in the Notice that service quality reporting may be a severe burden on CLECs.[2] For example, as the Commission notes, CLECs have not been subject to federal service quality reporting in the past.[3] Establishing the internal processes and, to some degree, physical measuring systems, to capture and report service quality data will significantly tax CLEC resources. CLECs lack the economies of scale enjoyed by ILECs to establish large regulatory measuring and reporting organizations practical on a cost basis.

Consumer interests would be better protected if CLECs were spared the additional requirement of federal quality of service reporting (and, for that matter, any existing state quality of service reporting), and were allowed to devote their limited resources (as compared to the ILEC) to providing more effective competition to ILECs. CLECs currently face tight capital markets and must allocate their resources extremely carefully. Consumers will be better served if CLECs were allowed to continue investing in developing and maintaining networks that will provide viable competitive choices for consumers. Service quality reporting will have no meaning to consumers whom CLECs are not able to reach or serve adequately because CLECs have found it necessary to divert critical resources to satisfying additional reporting obligations.

Ironically, onerous quality of service reporting requirements could actually diminish CLEC service quality rather than improve it. At already resource-constrained CLECs, the same operations personnel who would be diverted to complying with service quality regulatory reporting requirements would otherwise be working to actually improve/maintain service quality. To the extent that such CLEC employees' efforts are devoted to gathering data and additional paperwork, service quality may actually suffer.

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[2] Notice at paras. 39, 47, 48.

IV. TO THE EXTENT THE COMMISSION DOES, IN FACT, IMPOSE SERVICE QUALITY REPORTING REQUIREMENTS ON CLECS, CERTAIN SPECIAL CONSIDERATIONS SHOULD BE TAKEN INTO ACCOUNT.

The imposition of a new regime of regulatory reporting requirements, particularly on new market entrants, many of which can be classified as small businesses for Regulatory Flexibility Act purposes, should not be taken lightly. It is no accident that Congress and the Office of Management and Budget impose significant procedural requirements on federal agencies seeking to increase paperwork burdens on businesses that they regulate. To the extent that the Commission feels compelled to impose some sort of service quality reporting requirements on CLECs, it should do so with extreme caution.

The Commission should recognize, and find a way to make clear to the public when presenting CLEC service quality data, that CLEC service quality is, to a large degree, at the mercy of ILEC carrier-to-carrier service quality – that is, the quality of the carrier with which CLECs compete. Failure to do so would unfairly prejudice CLECs.

As a general matter, most CLECs, including facilities-based CLECs such as Teligent (but to a lesser degree), rely to some degree on the facilities, services, and cooperation of the ILECs. It would not be fair to CLECs for their data to reported along with that of ILECs without giving adequate notice to consumers that CLECs are largely reliant on ILEC service quality.

Likewise, when a customer experiences an outage or is otherwise affected by poor service quality due to the failure of an ILEC or another carrier to which the customer does not subscribe, the responsibility for said failure should be borne by the offending carrier. In this era of interconnection and corresponding interdependence on ILECs' and other carriers' facilities to complete calls end-to-end, even a facilities-based competitor such as Teligent can be adversely

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[3] Id.

affected by another carrier's failure to perform. Number portability, routing issues, and switch translations are a few examples of situations where the satisfaction level of Teligent's customers can be adversely affected by another carrier's poor performance. Resellers and CLECs that rely more heavily on purchased network elements than Teligent face an even greater risk if the Commission's rules do not provide for placing responsibility where it actually lies.

In addition, reporting rules adopted by the Commission should take into account the fact that many facilities-based CLECs face hurdles in the provisioning of retail services that the incumbents, by virtue of their ubiquitous networks and ready access to buildings, do not. Indeed, CLECs often encounter circumstances that directly affect their ability to meet service quality standards such as mandated installation intervals simply because they cannot get access to the building where their customer, waiting for service, resides. Due to their advantages of incumbency (such as possessing well-established ubiquitous networks, ready access to rights-of-way, and access to buildings and the cabling inside of them), ILECs most often have the ability to establish service to customers faster than CLECs can.

For a new entrant providing facilities-based competition and building out its network, delays caused by circumstances beyond its control can significantly affect the time by which service can be installed. For example, if a new entrant receives a request for service from a customer that is located in a building that is not "lit" or in which the carrier has no facilities, the carrier must obtain the consent of the building owner to provide access to the building (either at ground level or at a rooftop) and to the riser cable within that building. Frequently, gaining the building owner's approval is beyond the control of the carrier. Similarly, if the permission to use rights-of-way or obtain approval from a local franchising or zoning authority is required, meeting a five-day commitment date is likewise beyond the control of a new entrant.

Accordingly, comparing (or even presenting) CLEC service quality data alongside ILEC service quality data could lead to misconceptions about CLECs' actual service absent sufficient explanation as to why the CLECs' data may appear relatively unfavorable. To the extent that the Commission does, in fact, choose to impose mandatory CLEC service quality reporting requirements, Teligent urges the Commission to consider such concerns.

V. CONCLUSION.

For the foregoing reasons, Teligent respectfully urges the Commission not to impose mandatory service quality reporting on CLECs.

Respectfully submitted,

TELIGENT, INC.

By: ______________________

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Dated: January 12, 2001